for the revision of royalty rates of minerals produce in that state;

(b) if so, the reasons why the royalty rates have not been revised;

(c) whether Government proposes to consider the demand made by the State Governmnet in the State Government in that regard; and

(d) if so, the steps taken by Governmnet in that direction?

THE MINISTER OF STEEL AND THE MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) to (d) The revision of rates of royalty on major minerals is carried out as per the provisions of Section 9(3) of the Mines and Minerals (Development & Regulation) Act, 1957. The rates of the royalty on major minerals (other than coal and lignite) have already been revised vide Govt. Gazettee Notification GSR No. 214(E) dated 11.4.97. The revision of royalty rates was effected on the basis of the recommendations of the Study Group constituted for the purpose. The Study Group had detailed consultations with the State Governments, includ ing Govt. of Orissa, Mineral Industry and other agencies in the matter.

Opening mining sector for foreign direct investment

2098. SHRI GOVINDRAO ADIK: Will the Minister of MINES be pleased to state:

(a) whether Government have taken fresh policy initiatives to open up mining sector for foreign direct investment.

(b) if so, the details thereof alongwith the estimates of fresh foreign direct investment expected during 1997-98 and likely impact thereof;

(c) the details of FDI proposals received and cleared by Government so far and proposals under consideration; and

(d) the details of follow up action proposed to be taken to make the policy decisions operative during 1997-98 and also the follow up action taken by the State Governments?

THE MINISTER OF STEEL AND THE MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) The National Mineral Policy announced in 1993 recognised the need for encouraging private investment includng foreign investment and induction of state-of the art technology in the mineral sector. In the amendments made in the Mines and Minerals (Regulation & Development) Act, 1957, in 1994, the restrictions on foreign equity holding in the mining sector were removed and a company registered in India irrespective of foreign equity holding can now apply for a Prospecting Licence or a Mining Leause. Guidelines for grant of large areas for prospecting were issued in October, 1996. In January, 1997, automatic route for foreign equity participation upto 50% for mining of certain minerals was allowed. 74% foreign equity through automatic route was also allowed in services incidental to mining like drilling, shafting, reclamation of mines, surveys/mapping excluding services related to gold, silver and previous/semi-precious stones.

(b) and (c) The proposals for foreign investment, inter alia, in the mining sector are received by the Secretariat of Inudstrial Approvals, Department of Industrial Policy & Promotion, Ministry of Industry for consideration by FIPB. On the recommendations of the Ministry of Mines. FIPB has approved investment pattern of 35 proposals in the Mining. Metallurgical sector involving a total investment of over Rs. 2400 crores during the period November 1995 to July, 1997.

(d) Mineral concessions are granted by the respective State Governments. Only in case of 11 minerals (non-fuel and non-atomic) prior approval of the Central Government is necessary. The State Governments have been addressed to expedite action on proposals with a view to speed up the investment in the

mineral sector. Regular interaction with the State Governments is also organised in this regard.

Setting up pilot plants by Indian Bureau of Mines

2099. SHRI BHAGABAN MAJHI: Will the Minister of MINES be pleased to state:

(a) the number of pilot plants set up by the Indian Bureau of Mines and the location thereof;

(b) whether some new pilot plants are proposed to be set up in 1997-98;

(c) whether any such pilot plant is proposed to be set up in Orissa;

(d) if so, the steps taken in this regard;

(e) the steps taken by Government for the effective functioning of the Indian Bureau of Mines (IBM); and

(f) the details thereof?

THE MINISTER OF STEEL AND THE MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) Three pilot plants have been set up by the Indian Bureau of Mines for analysis and upgradation of low grade ores at Nagpur, Ajmer and Bangalore.

(b) No, Sir.

(c) No, Sir.

(d) Does not arise.

(e) and (f) The IBM functions as per the approved charter of functions through its Divisions and Regional Offices. For the effective functioning of the IBM, a very progressive Management Information System has been set up, which has the following elements:—

(i) Annual Action Plan, which lays down specific targets for different Divisions of the IBM;

(ii) Monitoring by the IBM Advisory Board;

(iii) Quarterly Review of the progress by the secretary (mines);

(iv) Periodic review and monitoring by the Controller General, IBM of the work carried out by the Zonal & Regional Offices; and

(v) Periodic workshops with the mine owners and meetings of the Mining Plan Grievance Committee.

Delete Limestone and Bauxite from the list of Scheduled Minerals

2100. SHRI BANGARU LAXMAN:
SHRI ANANTRAY DEVSHANKER DAVE:

Will the Minister of MINES be pleased to state:

(a) whether it is a fact that Government approval is sought under the MMRD Act, 1957 for granting a schedule mineral under Schedule-I of the Act;

(b) whether the Government of Gujarat has represented to the Union Government to delete Limestone and Bauxite from the Schedule-I list of the MMRD Act, 1957;

(c) if so, the details thereof; and

(d) the action taken by Government thereon?

THE MINISTER OF STEEL AND THE MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) and (b) Yes, Sir.

(c) and (d) The proposal has been discussed in the meetings of the Committee constituted under the Chairmanship of Secretary (Mines) with the Secretaries of State Governments, Industry, Indian Bureau of Mines etc. as members to review the Mining Rules and procedures etc. The terms of reference of the Committee inter—alia include review of the existing laws and procedures governing regulation and development of minerals and to recommend steps to make them compatiable with the policy changes and